

Successor Coeur d'Alene Custodial Trust

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Via E-mail

October 29, 2015

Ms. Beth Sheldrake
U.S. EPA
1200 Sixth Ave.
Suite 900
Seattle, WA 98115

Mr. Bill Adams
U.S. EPA
1200 Sixth Ave.
Suite 900
Seattle, WA 98115

SUBJECT: 3rd Quarter 2015 Report

Dear Beth and Bill:

Attached is the 3rd Quarter 2015 Report for the Successor Coeur d'Alene Custodial Trust. The report consists of:

- A bulleted narrative of remediation activities and asset management
- A budget and expenditure spreadsheet
- A summary spreadsheet showing the values of the three accounts
- The quarterly investment and bank account statements from BlackRock and Wells Fargo (sent to Bill with the hard copy of this report).

I certify that the reports are true and accurate to the best of my knowledge, information, and belief.

Sincerely,



Dan Silver
Trustee

cc: Dan Meyer

Enclosures

Coeur d'Alene Trust
3rd Quarter 2015 Work Completed

IC Rock Dumps Construction

- Continued construction of the remedial action.
- Implemented BMPs, and completed perimeter air monitoring as necessary.
- Completed excavation of all remaining mine waste materials, including materials in the Upper Rock Dump and the riparian area.
- Completed dewatering activities and operated a water treatment system as necessary to complete excavation activities.
- Completed cultural resources documentation on exposed cribbing.
- Diverted EFNW Creek around the stream channel. Completed excavation of the channel; installed stream bed stone and grade control structures in the channel; and installed cover soil and coir fabric along the stream banks.
- Reconstructed the main Support Road and the upper tributary access road.

EFNM WCA Waste Placement, Reporting, and Expansion Design

- Continued placing waste received from the IC Rock Dumps.
- Screened waste materials to produce 1-inch minus cushion layer material.
- Completed final grading and compaction on the North and South Buttress waste placement areas to achieve desired stormwater drainage and to prepare the subgrade for installation of the cushion layer.
- Installed a 1-foot thick cushion layer using 1-inch minus fines screened from the waste.
- Prepared a memorandum and submitted a memorandum summarizing WCA underdrain water monitoring to the USEPA.
- Prepared and reviewed 90% basis of design report for the WCA expansion including cost estimate and specifications. Attended design review meeting with USEPA, USACE and DEQ.
- Prepared construction monitoring QAPP for WCA Expansion.
- Prepared and reviewed 100% design drawings for the WCA southern stockpile and the response to comments on the 90% design.
- Coordinated regarding cultural resources near the southern stockpile.

Success Design

- Prepared construction monitoring QAPP.
- Prepared and reviewed 401/404 compliance document.
- Prepared and reviewed biological assessment.
- Prepared and completed an independent technical review of the 90% design. Attended design review meeting with USEPA, USACE, and DEQ. Provided design documents to property owners.
- Reviewed materials from the USEPA and compiled Success adit data in response to USEPA requests for information following the Colorado release.
- Coordinated access agreements for Success construction.
- Reviewed HPMP for cultural resources protocol at Success and began planning for cultural resources management during construction.

EFNM Infrastructure Construction for Success

- Completed construction of Success and Tamarack haul roads including grading, compaction and placement of 3-inch minus road surfacing gravel.
- Installed roadside channels with check dams.
- Installed culverts under roadways as specified in plans and as directed in the field to control drainage.
- Finished seeding, fertilizing, and hydro-mulching. Prepared for final inspection.

Ninemile Program Management, Prioritization, and Planning

- Prepared quarterly projections and quarterly report.
- Maintained photographs, FTP sites and document library.
- Maintained GIS databases.
- Attended meeting with the USEPA on data management in Seattle.
- Prepared and reviewed Rex Channel Construction Completion report.
- Coordinated O&M responsibilities for all completed projects. Conducted O&M inspections of the Osburn USBM site, the Rex channel, Success bridges and BCRA bridges and prepared memoranda documenting inspections. Completed maintenance of previous remedies including repair of the boulder barrier at the Osburn USBM site and reseeding at the Rex site.
- Developed GIS data set for programmatic biological assessment concept.
- Prepared and coordinated access agreements.
- Prepared 2015 prioritization and ten-year budget update memorandum.
- Prepared 2015 metrics update.
- Coordinated response to the USEPA request for mine and mill site data following Colorado release.
- Prepared 2016 budget.

NM-363 Area-Wide Investigation

- Prepared monitoring well location adjustments memorandum.
- Conducted drilling and well development.
- Conducted low flow water monitoring including groundwater, stream and seep sampling
- Completed data analysis, data validation, and data import to database.
- Evaluated preliminary low flow loading analysis data.
- Prepared area-wide investigation report.

Wallace District Mining Museum Site Research

- Prepared for and attended meeting with WDMM regarding remaining scope.
- Conducted LBCR Annex/SVNRT research.

BCR and EMFR Operations

- Continued operation of repositories including BCR/BCRA, EMFR, and the Osburn LUR.
- Performed independent monthly site inspections of BCR/BCRA and EMFR.
- Completed closure and capping of the Osburn LUR.
- Prepared and reviewed weekly reports.

LBCR Construction and Reporting

- Prepared and reviewed completion report.
- Prepared and reviewed as-built drawings and imported CAD files into the Coeur d'Alene Trust database.

2015 LBCR Operations

- Operated the LBCR repository.
- Prepared and reviewed operations plan.
- Performed independent monthly site inspections.

BCR Cap Evaluation

- Prepared and reviewed BCR Cap investigation QAPP.
- Prepared Sampling Plan Alteration Form (SPAF) for change in ISM sampling technique.
- Conducted ISM sampling.
- Completed data analysis, data validation, and data import to database.
- Prepared BCR cover soil assessment report.
- Evaluated capacity of BCR and prepared conceptual layout of expansion.
- Evaluated geotechnical analysis needs to complete BCR expansion design.

LBCR Annex (SVNRT Repository) Investigation and Design

- Prepared for and conducted field investigation of site including drilling, test pits, surface soil XRF testing, well development, and soil and groundwater sampling.
- Completed data analysis, data validation, and data import to database.
- Initiated work on the remedial design investigation report.
- Initiated wetland assessment.
- Evaluated design options and initiated preliminary design work.

BCRA Final Design and Construction of Repository and Access Road

- Prepared and reviewed final bridge and utility relocation construction summary memorandums.
- Prepared and reviewed as-built drawings and imported CAD files into the Coeur d'Alene Trust database.
- Relocated one groundwater monitoring well due to a location conflict with the new haul road.

Water Monitoring

- Coordinated access agreements for monitoring in Canyon Creek.
- Prepared Canyon Creek water monitoring work plan and SSAP.
- Prepared for and initiated BCRA quarterly sampling.
- Evaluated subcontractor deliverables and budget.
- Researched and coordinated regarding adit sampling completed by IDEQ.
- Reviewed BEMP programmatic DQOs.
- Attended meeting regarding remedial action effectiveness monitoring in EFNM and other site in the Upper Basin with Trustees and the USEPA and their contractor.

- Reviewed USGS data reports and compared methodologies. Evaluated alternate loading assessment methodology for the Coeur d'Alene Trust.
- Prepared for and initiated Canyon Creek and Ninemile Creek base flow monitoring event.
- Attended RA Effectiveness monitoring meeting and prepared RA Effectiveness Plan.
- Reviewed the USEPA optimization review document.

Kahnderosa Campground Bank Remediation

- Irrigated the site to prevent excessive vegetation damage.

Lower Basin Pilot Project

- Prepared for and attended Lower Basin pilot site tour and PFT meeting.
- Attended Schlepp wetland site tour with USFWS and EPA.
- Attended conference call with the USEPA and CH regarding the Lower Basin strategic plan.
- Prepared property ownership maps.
- Compiled data and mapping for Rose Lake area.

Remedy Protection Projects Design and Construction

- Prepared and reviewed Ninemile side gulches 90% and 100% designs, RA Work Plan and CQAP.
- Prepared South 2nd Street RA Work Plan.
- Completed procurement for South 2nd Street. Began procurement process for Ninemile Side Gulches.
- Attended Mill Road, South 2nd Street and Revenue Gulch weekly site meetings.
- Observed construction of the Revenue Gulch, Mill Road and South 2nd Street projects. Prepared Mill Road, South 2nd Street and Revenue Gulch weekly and daily reports.
- Reviewed Revenue Gulch, South 2nd Street and Mill Road submittals. Prepared and reviewed RFIs and WCDs.
- Prepared and reviewed Mill Creek 60% design.
- Attended Boulder/Copper Street site walk with City of Mullan.
- Prepared and reviewed Printer's Creek 30% design.
- Prepared Revenue Gulch and Mill Road as-built/record drawings.
- Reviewed Side Gulch ESD DC memorandum and Side Gulches Addendum.
- Prepared Silverton community completion report.
- Prepared for and attended Revenue Gulch pre-final site inspection. Prepared Revenue Gulch pre-final inspection memorandum. Prepared punch list, notice of substantial completion and Construction Summary Memorandum for Revenue Gulch.
- Prepared SPAF and cover memorandum re: principal threat waste handling, sampling and disposal. Coordination with the USEPA re: same. Completed soil sampling.
- Conducted petroleum hydrocarbon contamination sampling. Prepared cover letter, sampling summary memorandum and SPAF re: petroleum contaminated soils handling, sampling and disposal.
- Prepared Mill Creek CQAP.
- Coordinated with Hecla re: drain lines at South 2nd Street. Prepared pipe repair graphic.

- Attended Side Gulch meeting with Avista. Coordinated regarding Blackcloud design modifications.

Basin Property Remediation Program

- BPRP Construction work for 2015 continued through the quarter.
- Completed property remediation on a total of 52 properties.
- 8 additional properties are in the process of remediation.
- Additional property negotiations and walkthroughs will be conducted to incorporate additional properties into the 2015 program. The projected total number of properties to be completed for 2015 is approximately 80, comprising a total of approximately 1.5 million square feet.

Limited Use Repository Design and Inspections

- Began worked with EPA/DEQ to identify additional potential LUR sites that can be used in the future.
- Selected two LUR sites and began preliminary design that will continue through the winter months with expected development for use in 2016/2017.
- Conducted monthly site inspections.

Roadway Improvement Program Design and Construction

- Continued to work with the Roads Board to update the 2015 roads program budget and scope of work for each of the communities.
- Began working with the Roads Board to define the scope of work for the 2016 roads program.
- Provided reimbursement for roadway construction work completed by the City of Osburn, the City of Wallace, the City of Mullan, Shoshone County, and the East Side Highway District.

Asset Management

- The Trust renewed its property insurance policy. The insurance company conducted an audit of the Trust, for the second year in a row.
- The Trust sent a set of financial documents to Union Pacific and Asarco in response to a subpoena.
- The Trust completed its work on a diesel emissions reduction plan for its contractors.
- USDOJ approved the transfer of funds from the Custodial Account to the General Account.
- The Trust closed its Commercial Electronic Office account at Wells Fargo, because the cost of this account was not commensurate to the value received. During the quarter the Trust opened a new interest bearing checking account. The historical account will be closed when its checks clear.
- At the end of the quarter the account value of the Trust was down \$39.7m from the previous quarter. Expenditures for the quarter were \$9.4m. The \$30m investment losses were due to a significant market correction in August and September.

CDA Trust 2015 Q3 Projections

Project Name	EPA Approved Budget	Expended to Date 2015	EPA Authorized Budget Remaining	Percent of EPA Budget Expended	Projected Total 2015 Costs	Projected End-of-Year Balance	Notes
Coeur d'Alene Trust Program Management	\$905,000	\$666,551	\$238,449	74%	\$905,000	\$0	
✚ Miscellaneous Cultural Resource Programmatic Assistance	\$30,000	\$28,955	\$1,045	97%	\$43,692	-\$13,692	HPMP and associated training is complete. Remaining work includes assistance with end-of-year reporting.
✚ 5-Year Review Assistance	\$75,000	\$17,481	\$57,519	23%	\$17,481	\$57,519	It is assumed that no additional work will be requested by the EPA.
✚ IC Rock Dump Construction	\$2,345,000	\$1,171,956	\$1,173,045	50%	\$2,291,457	\$53,543	
✚ EFNM WCA Waste Placement, Reporting and Expansion Design	\$1,300,000	\$479,358	\$820,642	37%	\$1,198,132	\$101,868	Original EPA-approved cost estimate included a contingency; contracted costs were lower than the engineer's estimate.
✚ Success Design	\$430,000	\$237,198	\$192,802	55%	\$414,796	\$15,204	
✚ EFNM Infrastructure Construction for Success	\$880,000	\$488,728	\$391,272	56%	\$691,014	\$188,987	Contracted construction values are significantly lower than the engineer's estimate.
✚ Ninemile Basin Program Management, Prioritization, and Planning	\$200,000	\$141,827	\$58,173	71%	\$225,000	-\$25,000	
✚ NM-363 Area-Wide Investigation	\$300,000	\$245,866	\$54,134	82%	\$300,000	\$0	
✚ WDMM Research	\$30,000	\$13,135	\$16,865	44%	\$30,000	\$0	
✚ BCR, EMFR, and LUR Operations	\$1,250,000	\$556,185	\$693,815	44%	\$953,843	\$296,157	
✚ LBCR Construction and Reporting	\$310,000	\$219,699	\$90,301	71%	\$253,561	\$56,439	
✚ LBCR Operations	\$500,000	\$269	\$499,731	0%	\$103,900	\$396,100	The original EPA-approved budget was a placeholder. Significantly less operational work has been required than originally anticipated.
✚ BCR and EMFR Cap Evaluation	\$80,000	\$36,325	\$43,675	45%	\$182,526	-\$102,526	Work is limited to BCR.
✚ LBCR Annex (SVNRT Repository) Investigation and 30% Design	\$1,100,000	\$413,693	\$686,307	38%	\$806,345	\$293,655	
✚ BCRA Final Design and Construction of Repository and Access Roads	\$1,350,000	\$692,119	\$657,881	51%	\$1,317,049	\$32,951	Contracted construction price was significantly lower than the engineer's estimate. Cost includes purchase of topsoil to be stockpiled at the BCRA for eventual capping of the BCR.
✚ Water Monitoring - Groundwater and Surface Water	\$400,000	\$234,013	\$165,987	59%	\$421,881	-\$21,881	
✚ Kahnderosa Campground Plantings and Construction Reporting	\$10,000	\$42,140	-\$32,140	421%	\$54,140	-\$44,140	Unanticipated repair work was required in 2015 following high water damage.
✚ Unspecified Lower Basin Pilot Project	\$100,000	\$22,273	\$77,727	22%	\$30,000	\$70,000	
✚ Remedy Protection Projects - Design and Construction	\$4,300,000	\$2,058,419	\$2,241,581	48%	\$3,635,516	\$664,484	Contracted project values were significantly lower than the engineer's estimate.
✚ Basin Property Remediation Program - Including Large Commercial Properties	\$3,700,000	\$961,666	\$2,738,334	26%	\$3,700,000	\$0	Assume that the remaining authorized budget that is not contracted will be spent this year.
✚ Limited Use Repository (LUR) Design	\$250,000	\$25,962	\$224,038	10%	\$78,643	\$171,357	The original EPA-approved budget was a placeholder, as the scope of work for the LUR was uncertain at the time it was developed. This line item includes only design and oversight work. LUR operation costs were combined with the BCR and EMF operations costs.
✚ Roadway Improvement Program - Design and Construction	\$4,424,000	\$3,619,282	\$804,718	82%	\$4,251,655	\$172,145	
SUBTOTAL	\$24,269,000	\$12,373,101	\$11,895,899		\$21,905,831	\$2,363,169	
Contingency	\$250,000		\$250,000		\$0	\$250,000	
TOTAL	\$24,519,000	\$12,373,101	\$12,145,899		\$21,905,831	\$2,613,169	

**Coeur d'Alene Trust
Account Values
2015**

	3rd Quarter 2015				2015 Totals
	<i>General Work Account</i>	<i>Special Work Account</i>	<i>Custodial Account</i>	<i>3rd Q Totals</i>	
Beginning Account Value	\$ 457,871,706	\$ 44,445,540	\$ 18,193,755	\$ 520,511,001	\$ 513,553,943
BlackRock Investment Accounts					
Beginning Account Value	\$ 448,675,343	\$ 44,445,540	\$ 17,577,289	\$ 510,698,172	
Change in Value	\$ (20,065,756)	\$ (2,692,676)	\$ (17,577,289)	\$ (40,335,721)	
Subtotal: Ending Balance	\$ 428,609,587	\$ 41,752,864	\$ -	\$ 470,362,451	
Historical Wells Fargo Commercial Checking					
Beginning Account Value	\$ 4,678,736		\$ 616,466	\$ 5,295,202	
Credits	\$ 19,563,697		\$ -	\$ 19,563,697	
Debits	\$ (22,350,758)		\$ (566,466)	\$ (22,917,224)	
Subtotal: Ending Balance	\$ 1,891,675	\$ -	\$ 50,000	\$ 1,941,675	
New Wells Fargo Commercial Checking					
Beginning Account Value	\$ -			\$ -	
Credits	\$ 3,000,735			\$ 3,000,735	
Debits	\$ -			\$ -	
Subtotal: Ending Balance	\$ 3,000,735			\$ 3,000,735	
Wells Fargo Commercial Savings					
Beginning Account Value	\$ 4,517,627			\$ 4,517,627	
Deposits	\$ -			\$ -	
Net Transfer to Checking	\$ 1,000,000			\$ 1,000,000	
Interest	\$ 1,908			\$ 1,908	
Subtotal: Ending Balance	\$ 5,519,535			\$ 5,519,535	
Quarter End Account Value	\$ 439,021,533	\$ 41,752,864	\$ 50,000	\$ 480,824,396	\$ 480,824,396
Quarterly/Annual Change in Value				\$ (39,686,605)	\$ (32,729,547)